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LANGABEER,
TULL & LEE, P.S.
Attorneys at Law

EMAIL: info@langabeertull.com
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GAMBLING COMMISSION
COMM & LEGAL DEPT
Robert M. Tull
Charles J. Tull
Mark J. Lee
Heather A. Wolf
Todd D. Gunn

2nd Petition
+ letter

September 26, 2001

Amy Patjens, Director
Communications & Legal Department
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504-2400

Dear Ms. Patjens and Commission Members:

Enclosed are two items. A document describing rule change alternatives is enclosed for attachment to the rule change petition that was originally submitted by the RGA on July 19, 2001. Although this petition was withdrawn, we request that the Commission place this rule change petition on the October agenda with the proposed alternatives.

If the Commission chooses not to use the original rule change petition submitted on July 19, 2001 then please place the enclosed petition, which contains three rule change alternatives to WAC 230-40-120(2)(b), on the October agenda. Please do not hesitate to contact us with any questions.

Very truly yours,
LANGABEER, TULL & LEE, P.S.



Robert M. Tull
Heather A. Wolf

HAW: ao
enclosures
cc: client



**PETITION FOR ADOPTION, AMENDMENT, OR REPEAL
OF A STATE ADMINISTRATIVE RULE (RCW 34.05330)**

The Office of Financial Management (OFM) has adopted this form for members of the public who wish to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request.

To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437.

Please complete the following:

PETITIONER'S NAME (PLEASE PRINT) Recreational Gaming Association		TELEPHONE NUMBER (INCLUDE AREA CODE) (360) 754-8141		
STREET ADDRESS 1501 Capitol Way, PO Box 1787, Olympia, WA 98501	PO BOX NUMBER	CITY	STATE	ZIP CODE
AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE, IF KNOWN Washington State Gambling Commission		If unknown, call (360) 753-7470 for mailing information		

Please submit completed and signed form to the **"Rules Coordinator"** at the appropriate state agency. The

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☐ 1. **NEW:** I am requesting that a new WAC be developed

I believe a new rule should be developed.

- ☐ The subject of this rule is:
- ☐ The rule will affect the following people:
- ☐ The need for the rule is:

☒ 2. **AMEND:** I am requesting a change to existing WAC 230-40-120(2)(b) (See Exhibit A).

☐ 3. **REPEAL:** I am requesting existing WAC be removed.

I believe this rule should be changed or repealed because (check one or more):

- ☐ EI It does not do what it was intended to do.
- ☐ it imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☒ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known
- ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known

☒ Other (please explain):

The current bet limit of \$100.00 should be amended to allow increased single wager limits not to exceed \$500.00, as is allowed in tribal casinos.

The rule needs to be changed to allow card rooms to remain financially viable and to compete with the tribal casinos. Increases in the minimum wage and in medical insurance costs, utilities, and gambling taxes necessitate that card rooms increase revenues to remain open. Card rooms do not have the ability to independently raise the price of their product; and therefore the card rooms need to request an increase in betting limits to remain competitive and to cover their costs and overhead.

The higher limits also allow the card rooms to attract customers who will otherwise patronize the



**PETITION FOR ADOPTION, AMENDMENT, OR REPEAL
OF A STATE ADMINISTRATIVE RULE (RCW 34.05330)**

tribal casinos to take advantage of their higher betting limits and slot machines. The Tribe's use of slot machines creates an increasing disadvantage for card rooms. As the Commission staff has noted in the past, raising betting limits does not cause any particular regulatory concern for the Commission.

P E TITIONER'S SIGNATURE

Sept. 25, 2001

DATE

Rule Change Alternatives to WAC 230-40-120(2)(b)

ALTERNATIVE 1

~~(b) Licensees authorized to conduct Phase II house-banked card games shall not allow a single wager to exceed one hundred dollars;~~

(b) Licensees authorized to conduct Phase II house-banked card games may set single wager limits as follows:

i) up to five of the tables operating Phase II house-banked card games may utilize single wager limits that do not exceed five hundred dollars;

ii) the remaining tables operating Phase II house-banked card games may utilize single wager limits that do not exceed three hundred dollars.

ALTERNATIVE 2

~~(b) Licensees authorized to conduct Phase II house-banked card games shall not allow a single wager to exceed one hundred dollars;~~

(b) Licensees authorized to conduct Phase II house-banked card shall not allow a single wager limit as follows:

i) after six months of operation using single wager limits of two hundred fifty dollars, the single wager limit may be raised to five hundred dollars.

ALTERNATIVE 3

~~(b) Licensees authorized to conduct Phase II house-banked card games shall not allow a single wager to exceed one hundred dollars;~~

(b) Licensees authorized to conduct Phase II house-banked card games may set single wager limits as follows:

i) two of the tables operating Phase II house-banked card games may utilize single wager limits that do not exceed five hundred dollars;

ii) the remaining tables operating Phase II house-banked card games may utilize single wager limits that do not exceed three hundred dollars.

1st Petition
+ letter

**LANGABEER,
TULL & LEE, P.S.**

Attorneys at Law

Richard J. Langabeer
Robert M. Tull
Charles J. Tull
Mark J. Lee
Heather A. Wolf
Todd D. Gunn

EMAIL: info@langabeertull.com
SENT VIA FAX AND US MAIL

July 19, 2001

Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504-2400

Re: Increased Betting Limits for Card Rooms

Dear Commissioners **McLaughlin, Orr**, Forrest, Ludwig and Parker:

On behalf of our client, the Recreational Gaming Association ("RGA"), we are submitting the enclosed **rule** change petition to amend WAC **230-40-120**. **The** requested change **would** increase betting **limits** for house-banked card games **from** one hundred to five hundred dollars.

Nothing in either the Gambling Act or the Commission's regulations precludes or discourages increasing betting limits for **card** rooms. Additionally, there is no policy or **regulatory** concern to **cause** the Commission not to support the increased limits. The **Gambling** Commission is empowered to carry out the purposes and policies of the State's Gambling Act. (See RCW 9.46070.) The stated policy of the **Gambling** Act is to keep any criminal element out of gambling and to promote the social welfare of the **people**. (RCW 9.46.010.)

The focus of any specific gambling regulation is to protect the public **health**, safety, and welfare. The issue is whether limiting bets to \$500.00 is an adequate **control**, which keeps out any criminal element and promotes social welfare. The Gambling Commission staff has frequently said that higher limits will not pose any regulatory issues. The **tribal** facilities have not been the subject of any criticism because of \$500.00 limits.

Increased betting limits do not generate any policy or regulatory concerns. Therefore, the Commission should allow enhanced card room licensees the ability to maintain their economic **viability** and offer more choices to patrons by authorizing an increase in their betting limits. As business operators, card room owners **can** better

Washington State Gambling Commission
Re: **Increased** Betting Limits for Card Rooms
19, 2001

Page 2

m a i n t a i n s t r o n g b u s i n e s s e s w i t h w e l l p a i d w o r k e r s t
marketing, and pricing of their "wares".

The enhanced card rooms are doing a good job. They are responsible operators, complying ~~with~~ **With** increased betting ~~limits they~~ will be able to accommodate those players wishing to place higher bets. In addition, ~~increasing~~ betting ~~limits~~ will ~~help~~ the card room owners continue to offer or begin offering employee benefits. The potential increase in revenues for the Commission through fees and to local governments through the card room tax is ~~an~~ additional benefit.

We would be happy to answer any ~~further~~ questions that you may have. Thank you for your consideration.

Very **truly yours,**
LANGABEER, TULL & LEE, P.S.



Robert M. Tull
Heather A. Wolf

RMT/HAW: ao
cc: client



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL
OF A STATE ADMINISTRATIVE RULE (RCW 34.05330)

ORIGINAL

The Office of Financial Management (OFM) **has** adopted this form for members Of the public who wish to **petition** a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a **petitioner's** request.

To obtain this form in an alternate format, call OFM at (360) 9024555 or TTY (360) 664-9437.

Please complete the **following**:

PETITIONER'S NAME (PLEASE PRINT) Recreational Gaming Association		TELEPHONE NUMBER (INCLUDE AREA CODE) (360) 754-8141	
STREET ADDRESS 1501 Capitol Way, PO Box 1787, Olympia, WA 98501	PO BOX NUMBER	CITY	STATE
AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE, IF KNOWN Washington State Gambling Commission		If unknown, call (360) 753-7470 for mailing information	

Please **submit** completed and signed form to the "Rules Coordinator" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the **back of this form with examples**. Whenever possible, attach suggested language. You may attach other pages, if needed.

☒ **1. NEW:** I am requesting that a new WAC be developed

I **believe** a new rule should be developed.

☐ **0** The subject of this rule is:

☐ The rule will affect the following people:

☐ The need for the rule is:

☒ **2. AMEND:** I am requesting a change to existing WAC 230-40-120 (See Exhibit A)

☒ **3. REPEAL:** I am requesting existing WAC be removed

I believe this rule should be changed or repealed because (check one or more):

☒ It does **not** do what it was intended to do.

☐ It imposes unreasonable costs.

☐ It is applied differently to public and private parties.

☐ It is not dear.

☒ It is no longer needed.

☐ It is not authorized. The agency has no authority to make this rule.

☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known

☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known

☒ **Other** (please explain):

The current bet limit of \$100.00 should be amended to allow \$500.00 bets, as is **allowed** in tribal casinos.

The rule needs to be changed to allow card rooms to remain financially viable and to compete with the tribal casinos. Increases in the minimum wage and in medical insurance costs, utilities, and gambling taxes necessitate that card rooms increase revenues to remain open. Card rooms **do not** have the ability to independently raise the price of their product; and therefore the card rooms need to request an increase in betting limits to remain **competitive** and to cover their costs and overhead.

The higher limits also allow the card rooms to attract customers who will otherwise patronize the

tribal casinos to take advantage of their higher betting limits and slot machines. The Tribe's use of slot machines creates an increasing disadvantage for card rooms. As the Commission staff has noted in the past raising betting limits does not cause any particular **regulatory** concern for the Commission.

Heather Wolf attorney for RGA
PETITIONER'S SIGNATURE

7/19/01
DATE

230-40-120. Limits on wagers in card games.

Social and **public** card room licensees shall not allow wagering limits set by the commission to be exceeded in any card game. **The** number and value of **wagers** in card **games** are limited **as** follows:

(1) Nonhouse-banked card **games**:

(a) Poker:

(i) There shall be no more than five betting rounds in any one game;

(ii) **The** maximum number of wagers **in** any betting round shall be four, comprised of an initial wager plus **three** raises; and

(iii) The maximum amount of a single wager **shall** not exceed twenty-five dollars.

(b) Games based on achieving a specific number of points - **each** point shall not exceed **five** cents in value.

(c) **An** ante, except for **panguingue** @an), **shall** not be more than the maximum wager allowed for the first betting round for any game. The ante may, by house rule, be made by one or more players, but the total ante may not exceed **the** maximum wager allowed for the **first** betting round. An ante, by house rule, may be used as part of a **player's** wager.

(d) **Panguingue** (pan) - the maximum value of a chip for a payoff shall not exceed ten dollars. **An** ante will not exceed one chip. Doubling of conditions is prohibited. Players going out may collect not more **than** two chips from **each** participating player.

(2) House-banked card games:

(a) Licensees authorized to conduct house-banked card games shall not allow a single wager to exceed **twenty-five** dollars;

(b) Licensees authorized to conduct Phase II house-banked card games shall not allow a single wager to exceed **one five** hundred dollars;

(c) **A** single wager may be made on each separate element of chance. In addition, for blackjack, an additional wager may be placed for doubling down or splitting pairs, and

(d) Bonus wagers for house-banked progressive jackpots **shall** not exceed one dollar. Bonus wagers **with** a predetermined prize amount based upon a separate **element** of chance within **the** same **game** shall not exceed the authorized **maximum** table limits as described in subsection (1)(a)(i) **and** (ii) of **this** section.

(3) House rules establishing wagering limits for each **type** of game played **shall** be posted **in plain** view where it can be seen by the players in the card game.




STATE OF WASHINGTON
GAMBLING COMMISSION

P.O. Box 42400 • Olympia, Washington 98504-2400 • (360) 438-7654 • TDD (360) 438-7638 • FAX (360) 438-7503

November 5, 2001

TO:	COMMISSIONERS	EX OFFICIO MEMBERS
	George Orr, Chair	Senator Margarita Prentice
	Curtis Ludwig, Vice Chair	Senator Shirley Winsley
	Elizabeth McLaughlin	Representative Alex Wood
	Judge Marshall Forrest (Ret.)	Representative Jim Clements
	Alan Parker	

FROM: Rick Day, Executive Director 

SUBJECT: Petition to Amend WAC 230-40-120(2)(b)
House-banked Card Room Betting Limits
Filed by Recreational Gaming Association

This petition, filed by the Recreational Gaming Association (RGA), seeks to amend WAC 230-40-120(2)(b), the regulation that sets house-banked card room single wager limits at a maximum of \$100. The petitioner requests that a petition submitted on July 19 but subsequently withdrawn, be again presented to the commission. That petition would amend the WAC to allow for single wager limits of \$500. In addition, the petitioner proposes three alternatives to the rule for consideration should the commission not to use the original rule change petition submitted.

- The first alternative would authorize Phase II house-banked card rooms to allow single wager limits of \$500 at five (5) tables with the remaining tables limited to \$300 single wager limits.
- The second alternative would authorize Phase II house-banked card rooms to allow single wager limits of \$250 at all tables and allow single wager limits of \$500 at all tables after six months.
- The third alternative would authorize Phase II house-banked card rooms to allow single wager limits of \$500 at two (2) tables with the remaining tables limited to \$300 single wager limits.

Staff has analyzed the petition and offers these observations for your consideration as you discuss the petition.

History

On April 15, **1973**, both houses of the Washington Legislature passed Substitute House Bill **711** and forwarded it to the Governor. On April 26, 1973, Governor Daniel Evans signed the bill after vetoing several sections. His veto removed all mention of “social card games” from the statute.

“RCW 9.46.010 Legislative declaration. The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and ~~to~~ promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control. ”

In 1974, the Legislature amended the gambling statute to include authorization of social card games. Again these references were vetoed, but the Legislature overrode the veto and social card games were authorized.

The 1974 amendment included a section providing the Commission with the authority and responsibility “...To regulate and establish the type and scope of and manner of conducting social card games permitted to be played, and the extent of wager, money or other thing of value which may be wagered or contributed or won by a player in a social card game.” This section was later amended to apply to all activities but the essence of the statute has never changed. The Commission has the power and duty to set wagering limits. In addition, the law provides for those gambling activities as a commercial stimulant with the purpose of increasing food or drink consumption on the business premise.

The wagering limits for poker changed in the early **1980’s** to allow \$5.00 wagers on multiple wager games. The value of the wagers eventually went to \$10.00. However, this “limit” did not truly reflect the total wagers that could be placed during a game. A player in a game with five betting rounds with a \$2.00 wager and two \$2.00 raises could wager a total of \$30.00 on a single hand of cards. Today’s rule for poker wagering allows for \$25.00 wagers, three raises and five betting rounds. Theoretically, a player could wager \$500.00/hand of poker based on these rules.

The current maximum house-banked card room Phase II single wager limit is \$100, which is set by WAC 230-40-120(b). Players are allowed to make additional wagers like splitting a pair or doubling down in blackjack, or playing more than one spot at a table. These would effectively increase the maximum betting limit on a hand or involve a single patron to greater than the \$100 limit.

Regulatory Issues

Staff has maintained the position that raising the betting limits from \$100 to \$500 causes no significant regulatory concerns. Special agents in our tribal gaming unit co-regulate tribal

casinos with tribal gaming agencies. Pursuant to tribal-state compacts, \$500 betting limits for Phase II operations are authorized.

However, higher limits increase the licensee's exposure to higher losses. We have concerns about situations where licensees don't have the money to cash out chips. This has already happened and emergency drop box counts have occurred. If higher limits are allowed, minimum cash on hand amounts must be established.

While a substantial increase in betting limits might attract a criminal enterprise such as money laundering, increasing the betting limits to \$500 does not cross such a threshold. The proposed amount might increase the incentive to cheat by both players and dealers

There are other regulatory issues associated with two of the specific alternatives presented in the petition. Alternatives 1 and 3 call for some tables at one single wagering limit while other tables are at a different amount. Such potential to mix and match betting limits based on number of tables may well cause additional oversight responsibility. Such things as certain tables increasing table limits for one particular game while other tables lower limits to stay within the rule would require additional rule making and, to a certain extent, complicate our regulatory program.

Alternative 2, as presented, would not cause extraordinary regulatory concerns.

If any of the three alternatives are adopted, consideration should be given to create a new license class to collect higher license fees to cover additional regulatory costs.

The following data is based on an analysis of activity reported to the Financial Investigations Unit through June 30, 2001. The present assessment shows:

- 13 of 62 HBCR locations reported negative card room income during the fiscal year ending June 30, 2001.
- 11 of 62 HB CR's reported negative income when net results from punchboards and pull tabs.
- This analysis does not include non-gambling income like restaurant or bar income and therefore, this table only presents the gambling side of their financial health.
- Of the 13 HB CR's reporting negative income from their card room, most were operating under Phase 1 limits during some portion of the year presented.
- 33 HB CR's reported total gambling net income which exceeded \$500,000.
- Since the end of the test program, most new HBCR have not made money in their first six months operating at the Phase 1 limit of \$25. However, card rooms that pass their Phase 2 review do perform better at the increased limit of \$100. (Please see attachment)

Policy Issues and Considerations

While staff is not offering a recommendation since this is a policy consideration, we would offer the following as issues and considerations as you review the petition:

- An increase in betting limits will be considered by some to be an expansion of gambling.
- An increase in betting limits for one interest group may increase the pressure to raise betting limits for another interest group.
- As a matter of public policy, should the “playing field” be level between the commercial stimulant licensees and the tribal government’s compact authorized gaming?
- What impacts might this increase in betting limits have on charitable and non-profit organizations that conduct gambling activities as fund raisers for the purposes of their organization?
- Is an increase to \$500 betting limits considered a commercial stimulant to the business and does it square with the legislative intent of allowing gambling activities as a “social pastime for amusement rather than profit?”
- When analyzing economic arguments, setting the maximum betting limit is not the same thing as setting the price of a product. Most individuals gambling wager less than \$100 and house-banked card rooms can increase their revenue under current betting limits.

Staff will be available to answer your questions at the commission meeting on November 14 and 15 in Tacoma.

Thank you.

House-Banked Card Room Licensees
Annual Activity - As Reported by Licensees
For the Period July 1, 2000 through June 30, 2001

	House-Bank Gross Receipts	Card Room Net Income/(Loss)	Pull Tab Net Income	Total Gambling Net Income
1 CAFE ARIZONA	446,205	(334,112)		(334,112)
2 CLUB BROADWAY ENTERTAINMENT CTR	809,197	(249,549)	(5,530)	(255,079)
3 FREDDIE'S CLUB OF FIFE	2,338,283	(255,605)	12,264	(243,341)
4 CHARLIE MAC'S CASINO/FUNSTERS	42,534	(140,265)	(5,719)	(145,984)
5 CLEOPATRAS WILD GOOSE CASINO	262,828	(134,556)	5,389	(129,167)
6 PLAYERS CASINO SPORTS CLUB & GRILL	1,857,198	(142,429)	16,098	(126,331)
7 HABANA CAFE & CASINO	1,216,517	(86,197)	(33,291)	(119,488)
8 RUBY'S CASINO	496,202	(110,859)	(855)	(111,714)
9 CLEOPATRA CLUB CASINO	323,678	(61,325)	(3,813)	(65,138)
10 RIVER BEND CASINO & BEND RESTAURA	1,802,465	(31,366)	8,268	(23,098)
11 CLUB FIJI	28,401	(7,364)	6,875	(489)
12 HOMEPLATE BAR&GRILL	503,709	(3,085)	21,251	18,166
13 PETE'S FLYING ACES	3,192,291	40,808	16,230	57,038
14 LUCIANO'S RISTORANTE	1,527,270	55,180	7,869	63,049
15 SIDNEY'S RESTAURANT AND SPORTS BA	1,169,317	46,499	25,677	72,176
16 GROVE RESTAURANT/LOUNGE & CASINO	1,766,971	(44,210)	149,274	105,064
17 ANNIE FANNIE'S	496,112	109,930	1,261	111,191
18 SPORT CENTER	824,049	150,294	23,386	173,680
19 ALL STAR CASINO	1,836,476	194,148	(20,060)	174,088
20 SIX CARD CHARLIE'S GAMBLING HALL/SA	605,359	132,463	52,096	184,559
21 HANK'S COUNTRY INN/RESTAURANT	914,871	222,008	(8,906)	213,102
22 CASCADE LANES RESTAURANT & LOUNC	560,103	136,742	81,973	218,715
23 GREAT WALL CASINO	2,079,870	214,606	7,820	222,426
24 PARADISE VILLAGE BOWL RESTAURANT	3,285,176	78,395	184,333	262,728
25 LANCER LNS/BRIDGE ST CONNECTION S	880,119	263,898	15,501	279,399
26 BIG AL'S CASINO	5,759,926	379,425	(23,817)	355,608
27 GOLDIE'S SHORELINE CASINO	5,742,653	363,832	20,234	384,066
28 THUNDERBIRD CASINO & LOUNGE	949,027	395,834	6,772	402,606
29 ROYAL CLUB	2,378,462	404,840	18,781	423,621
30 EL PAPAGAYO RESTAURANT & LOUNGE/I	1,325,329	491,758	11,304	503,062
31 CHIPS CASINO	3,669,436	492,390	46,871	539,261
32 SCRAPBOOK RESTAURANT	4,395,224	563,342	15,512	578,854
33 SILVER DOLLAR CASINO/MTLAKE TERRA	3,731,955	636,077		636,077
34 CADILLAC RANCH CASINO & ENTERTAIN!	3,199,684	731,720	3,217	734,937
35 WIZARDS RESTAURANT	4,627,024	727,168	77,407	804,575
36 ACES SPORTS BAR & CASINO	3,133,495	874,233	615	874,848
37 KEGLER'S CHOICE RESTAURANT	2,572,125	883,465	13,172	896,637
38 SLO PITCH PUB & EATERY	2,125,663	871,565	77,827	949,392
39 DIAMOND LIL'S	4,067,178	1,129,547	16,061	1,145,608
40 11TH FRAME RESTAURANT	2,745,310	1,119,444	44,613	1,164,057
41 P J POCKETS	4,437,292	1,162,615	13,747	1,176,362
42 FREDDIE'S CLUB CASINO/AUBURN	5,878,579	1,134,673	50,979	1,185,652
43 PARKERS SPORTS BAR & CASINO	5,441,323	1,207,559	20,379	1,227,938
44 CLEOPATRA'S CABLE BRIDGE CASINO	3,595,754	1,217,243	59,504	1,276,747

Amounts reported are still under review. Minor adjustments could still be necessary.

Page 1 of 2

House-Banked Card Room Licensees
Annual Activity - As Reported by Licensees
For the Period July 1, 2000 through June 30, 2001

	House-Bank Gross Receipts	Card Room Net Income/(Loss)	Pull Tab Net Income	Total Gamblinn Net Income
45 FIESTA BOWL RESTAURANT	3,445,152	1,423,175	8,943	1,432,118
46 PLAYERS & SPECTATORS	4,455,534	1,417,743	31,369	1,449,112
47 11TH FRAME RESTAURANT & LOUNGE	3,906,261	1,429,365	77,372	1,506,737
48 RIVERSIDE CASINO	5,993,230	1,507,287	217	1,507,504
49 RASCALS CASINO & RESTAURANT	4,988,402	1,504,511	7,697	1,512,208
50 NEW PHOENIX	8,339,693	1,665,268	(2,234)	1,663,034
51 FREDDIE'S CLUB CASINO/EVERETT	6,881,355	2,005,232	(1,822)	2,003,410
52 LAST FRONTIER	6,169,299	2,066,461	11,736	2,078,197
53 PALACE	6,407,281	2,152,170	11,596	2,163,766
54 SKYWAY PARK BOWL REST/LOUNGE	6,279,527	2,203,990	(19,062)	2,184,928
55 SILVER DOLLAR CASINO/SEATAC	6,456,975	2,213,794	58,366	2,272,160
56 SILVER DOLLAR CASINO/TACOMA	7,916,791	2,399,778	37,412	2,437,190
57 SILVER DOLLAR CASINO & RESTAURANT	6,551,501	2,522,763	(4,178)	2,518,585
58 JIMMY G'S CASINO/RESTAURANT	9,312,532	2,633,421	(63,313)	2,570,108
59 ROYAL CASINO	6,755,679	2,507,466	118,547	2,626,013
60 DRIFT ON INN/RESTAURANT	7,996,700	2,833,299	50,290	2,883,589
61 DOUBLE DOWN SALOON	7,784,212	3,020,408	22,888	3,043,296
62 FREDDIE'S CLUB	12,170,795	4,241,166	134,524	4,375,690
TOTALS	220,851,559	54,578,076	1,510,917	56,088,993



STATE OF WASHINGTON

GAMBLING COMMISSION

P.O. Box 42400 • Olympia, Washington 98504-2400 • (360) 486-3440 • TDD (360) 486-3637 • FAX (360) 486-3625

October 24, 2001

Robert M. Tull
Heather A. Wolf
Langabeer, Tull & Lee, P.S.
709 Dupont Street
Post Office Box 1678
Bellingham, Washington 87227-1678

SUBJECT: PETITION FOR RULE CHANGE

Dear Mr. Tull:

We have received your Petition for Rule Change dated September 26, 2001. In your petition, you requested that WAC 230-40-120 be amended to raise betting limits for house-banked card games.

Your Petition will be Up for Discussion and Possible Filing at the November Commission meeting. You are encouraged to attend the meeting to address the Commission directly regarding your proposed rule amendment. The meeting will be held:

November 15, 2001, at 9:30 a.m.
Sheraton Tacoma Hotel
1320 Broadway Plaza
Tacoma, WA 98402
(253) 572-3200

If you have any questions, please feel free to call me at 1-800-345-2529, extension 3466.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Arland", with a long horizontal line extending from the end.

Susan Arland
Rules Coordinator and Public Information Officer
Communications and Legal Department





STATE OF WASHINGTON

GAMBLING COMMISSION

P.O. Box 42400 • Olympia, Washington 985042400 • (360) 438-7654 • TDD (360) 438-7638 • FAX (360) 438-8652

May 7, 2001

Robert M. Tull
Heather A. Wolf
Langabeer, Tull & Lee, P.S.
709 Dupont Street
Post Office Box 1678
Bellingham, Washington 98227-1678

RE: Increased Betting Limits for Card Rooms

Dear Mr. Tull and Ms. Wolf:

We have received your letter dated May 3, 2001. Director Bishop is out of the office; therefore, I am responding to your letter. In your letter you stated that your client, the Recreational Gaming Association, is considering submitting a Petition for Rule Change regarding increasing the betting limits for card games, which are set forth in WAC 230-40-120.

In your letter, you also suggested that the increased betting limits could be an alternative version of this rule for the Commission to consider at the May meeting. I appreciate your concern to avoid duplication of notices and hearings. We believe this change would be a substantive change and would require a supplemental filing with the Code Reviser's Office. The Commission would need to vote on whether they want to file this. Should they choose to do so, due to the Code Reviser's filing and publication deadlines, making this filing would result in a delay of the adoption of the rule, if the Commission chose to adopt the version you suggested. Because of this, staff is not including this alternative version with the agenda for the May meeting. However, we are forwarding your letter and this response to the Commissioners.

You are welcome address the Commission at the May meeting regarding increased betting limits when this rule is Up for Discussion. If you have any questions, please feel free to call me at 1-800-345-2529, extension 307.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ed Fleisher".

Ed Fleisher
Deputy Director
Policy and Government Affairs

LANGABEER,
TULL & LEE, P.S.
Attorneys at Law

EMAIL: info@langabeertull.com
SENT VW FAX AND US MAIL

Richard J. Langabeer
Robert M. Tull
Charles J. Tull
Mark J. Lee
Heather A. Wolf
Todd D. Gunn

RECEIVED

MAY 04 2001

GAMBLING COMMISSION
DIRECTOR'S OFFICE

May 3, 2001

Commissioners
Ben Bishop, Director
Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504-2400

Re: Increased Betting Limits for Card Rooms

Dear Commissioners McLaughlin, Orr, Forrest, Ludwig, and Director Bishop:

On behalf of our client, the Recreational Gaming Association ("RGA"), we were considering submitting a rule change petition requesting a change to WAC 230-40-120. It has come to our attention, however, that the Commission has proposed amending this rule. The agenda for the May Commission meeting includes consideration of other amendments to WAC 230-40-120. Therefore, we request that the Commission include the RGA's proposed change as an alternative amendment to the rule. RGA's requested change would increase betting limits for house-banked card games from one hundred to five hundred dollars.

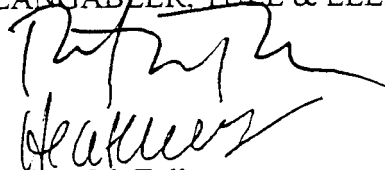
By including RGA's proposed rule change as an additional alternative to the Commission's proposal, the Commission would avoid duplication of notices and hearings and could be dealing with cardroom rules in a package. Additionally, the two proposals would facilitate better public review of the rule change. Enclosed is the RGA's proposed change to WAC 230-40-120. Please let us know at your earliest convenience whether the Commission will allow it to be considered as an alternative rule change.

Washington State Gambling Commission
Re: Increased Betting Limits for Card Rooms
May 3, 2001
Page 2

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We would be happy to answer any further questions that you may have. Thank you for your consideration.

Very truly yours,
LANGABEER, TULL & LEE, P.S.

The block contains two handwritten signatures. The first signature is in dark ink and appears to be 'Robert M. Tull'. The second signature is in a lighter ink and appears to be 'Heather A. Wolf'.

Robert M. Tull
Heather A. Wolf

HAW: ao
cc: client

LANGABEER,
TULL & LEE, P.S.
Attorneys at Law

EMAIL: info@langabeertull.com
SENT VIA FAX AND US MAIL

- cc: EMT
Susan -
FYI.
Richard J. Langabeer
Robert M. Tull
Charles J. Tull
Mark J. Lee
Heather A. Wolf
Todd D. Gunn

April 11, 2001

Washington State Gambling Commission
PO Box 42400
Olympia, WA 985042400

Re: Increased Betting Limits for Card Rooms

Dear Commissioners McLaughlin, Orr, Forrest, Ludwig and Parker:

On behalf of our client, the Recreational Gaming Association ("RGA"), we will soon be submitting a rule change petition requesting a change to WAC 230-40-120. The requested change would increase betting limits for house-banked card games from one hundred to five hundred dollars.

Nothing in either the Gambling Act or the Commission's regulations precludes or discourages increasing betting limits for card rooms. Additionally, there is no policy or regulatory concern to cause the Commission not to support the increased limits. The Gambling Commission is empowered to carry out the purposes and policies of the State's Gambling Act (See RCW 9.46.070.) The stated policy of the Gambling Act is to keep any criminal element out of gambling and to promote the social welfare of the people. (RCW 9.46.010.)

The focus of any specific gambling regulation is to protect the public health, safety, and welfare. The issue is whether limiting bets to \$500.00 is an adequate control, which keeps out any criminal element and promotes social welfare. The Gambling Commission staff has frequently said that higher limits will not pose any regulatory issues. The tribal facilities have not been the subject of any criticism because of \$500.00 limits.

Increased betting limits do not generate any policy or regulatory concerns. Therefore, the Commission should allow enhanced card room licensees the ability to maintain their economic viability and offer more choices to patrons by authorizing an increase in their betting limits. As business operators, card room owners can better

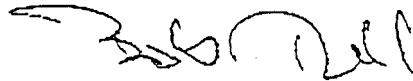
Washington State Gambling Commission
Re: Increased Betting Limits for Card Rooms
April 11, 2001
Page 2

maintain strong business? with well paid workers through efficient management, marketing, and pricing of their "wares".

The enhanced card rooms are doing a good job. They are responsible operators, complying with the regulations set forth by the Commission. With increased betting limits they will be able to accommodate those players wishing to place higher bets. In addition, increasing betting limits will help the card room owners continue to offer or begin offering employee benefits. The potential increase in revenues for the Commission through fees and to local governments through the card room tax is an additional benefit.

I am unable to attend the upcoming April Gambling Commission meeting. We will be submitting the rule change petition for increased betting limits, hopefully for consideration at the May meeting. In the meantime, we would be happy to answer any further questions that you may have. Thank you for your consideration.

Very truly yours,
LANGABEER, TULL & LEE, P.S.



Robert M. Tull

RMT/HAW: a0
cc: client



The Rising Cost of Doing Business

**Recreational Gaming Association
March 9, 2001**

Panel:
Bob Tull, Attorney
Gary Murrey, Wizards Casino, Burien
Steve Griffiths, PJ Pockets Casino, Federal Way



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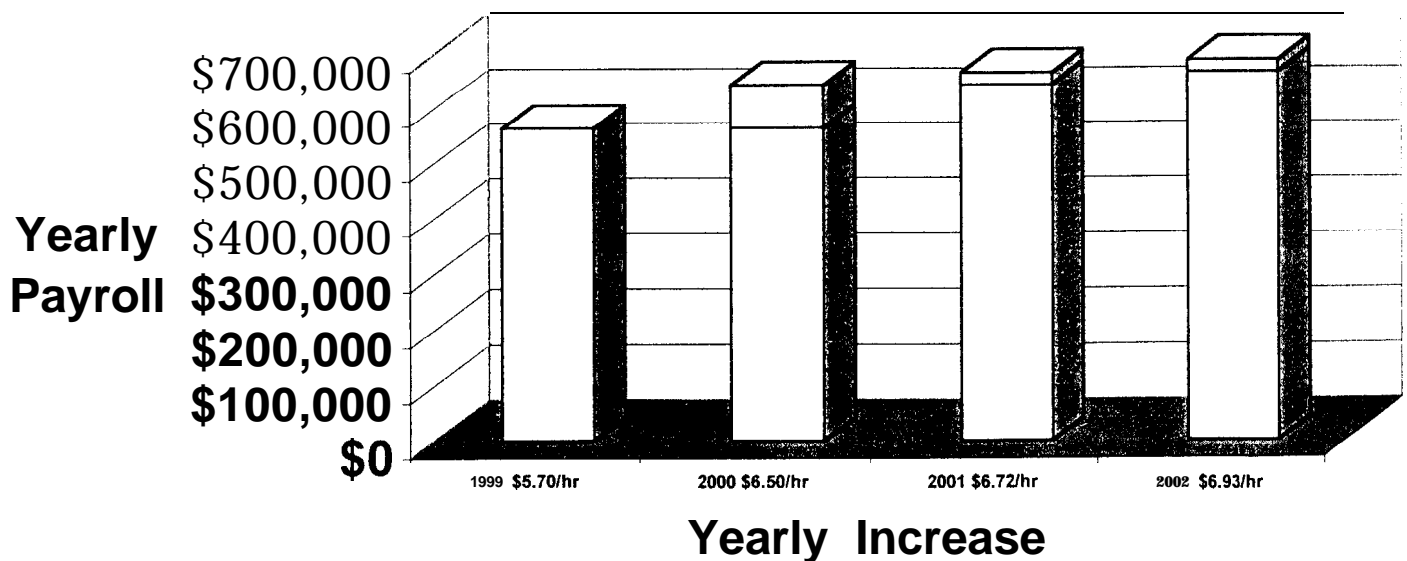
Increasing costs - Minimum Wage

WIZARDS CASINO, Burien - Based on 1999 average 88,368 dealer hours

- 1999 minimum wage rate of \$5.70 per hour pay roll totaled \$564,139
- 2000 minimum wage rate to \$6.50 per hour pay roll totaled \$643,318, an increase of \$79,179
- 2001 minimum wage rate to \$6.72 per hour pay roll will total \$665,092, an increase of \$21,774
- 2002 minimum wage rate to \$6.93 per hour pay roll expected (3.2% increase) to total \$685,876, an increase of \$20,784
- This equals a cumulative cost increase from 1999 to 2002 of \$332,104
- With current rate of increased expenses Wizards will not be profitable within 3 years time.

All calculations include actual wages plus 12% in directly associated pay roll taxes.

Minimum Wage Increase



Increasing costs - Medical Insurance

PJ POCKETS CASINO, Federal Way

- Saw an actual increase in employee health insurance costs in 2000 of \$28,406 or 32.6%
- Estimated increases in 2001 = \$23,115 or 20%
- Necessary solutions included cutting back coverage and may perhaps include extending the insurance probationary period.

Increasing Cost of Medical and Dental Insurance

